IN THE

Supreme Court of the United States

OCTOBER TERM, 1971

No. 71-315

DEEPSOUTH PACKING CO., INC., *Petitioner*

v.

THE LAITRAM CORPORATION, *Respondent*

On Writ of Certiorari to the United States Court of Appeals for the Fifth Circuit

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BRIEF FOR THE PETITIONER

HAROLD J. BIRCH
1000 Connecticut Avenue, N. W.
Washington, D. C.
and
C. EMMETT PUGH
328 Chartres Street
New Orleans, Louisiana
Attorneys for Petitioner

Of Counsel

SCHUYLER, BIRCH, SWINDLER, McKIE, & BECKETT
1000 Connecticut Ave., N.W.
Washington, D. C.
and
PUGH & LAUGHE
328 Chartres Street
New Orleans, Louisiana

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BRIEF FOR THE PETITIONER

II. CITATIONS TO THE OPINIONS BELOW

The decision of the Court of Appeals for the Fifth Circuit in appeal No. 29776 (A: 76), from which the Writ of Certiorari has been issued, is reported at 433 F.2d 936, 170 USPQ 196 (1971). The relevant opinion of the district court (A: 70) is reported at 310 F. Supp. 926, 165 USPQ 147 (1970).

The opinion of the Court of Appeals for the Fifth Circuit in appeal No. 28286 (A: 81) on the basic issues

of the validity, enforceability and infringement by acts conducted wholly within the United States,[1] is reported at 443 F.2d 928, 170 USPQ 190 (1971). The opinion of the District Court (A: 25) on these issues is reported at 301 F. Supp. 1037, 162 USPQ 14 (1969). The District Court's unreported Findings of Fact appear at (A: 1 and 149). An additional opinion of the district court on an interlocutory decision involving *inter alia,* a denial of a motion for summary judgment, is reported only at 156 USPQ 662 (1968).

III. STATEMENT OF JURISDICTION

1. This is a suit arising under the Patent Laws of the United States, Title 28, Section 1338, of the United States Code.

2. The jurisdiction of this Court is invoked under Title 28, Section 1254, of the United States Code.

3. The petition for Writ of Certiorari was filed August 31, 1971, and was granted January 17, 1972.

IV. QUESTION PRESENTED FOR REVIEW

Is an apparatus claim of a United States patent directed to a combination of elements, each of which is old, infringed under 35 U.S.C. § 271 (a)[2] when:

(a) although the individual elements are manufactured in the United States,

(b) the individual elements are never assembled into the patented combination in the United States, and

---

[1] Certiorari was not granted in respect to questions raised by this decision (A: 96).

[2] ". . . whoever without authority makes, uses or sells any patented invention, within the United States during the term of the patent therefor, infringes the patent."

(c) the first and only assembly of the elemental parts into an operable combination or apparatus occurs, and all testing, adjustments, modification and use of the assembled apparatus is conducted in a foreign country?

Restated in terms of this case, can the two claims in suit, each directed to a combination of old elements, be employed to enjoin manufacture and sale of all the individual parts of the combinations in the United States, when the only assembly of the claimed combinations and the machine embodying them and all testing and use occurred in Brazil?

V. CONSTITUTIONAL PROVISION AND STATUTES INVOLVED

A. Constitutional Provision Involved

Article 1, Section 8:

"The Congress shall have Power * * *

"To Promote the Progress of Science and useful Arts, by securing for Limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries; * * *." [U.S.C.A., Constitution, 1st Vol., p. 39].

B. Statutes Involved

35 U.S.C. § 102 Conditions for patentability; novelty and loss of right to patent

A person shall be entitled to a patent unless—

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, * * * July 19, 1952, c. 950. §1, 66 Stat. 797. [35 U.S.C.A., 1st Vol., p. 715].

35 U.S.C. § 103 Conditions for patentability; non-obvious subject matter

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made. July 19, 1952, c. 950, § 1, 66 Stat. 798. [35 U.S.C.A., 1st Vol., p. 715].

35 U.S.C. § 271 Infringement of patent

(a) Except as otherwise provided in this title, whoever without authority makes, uses or sells any patented invention, within the United States during the term of the patent therefor, infringes the patent.

(b) Whoever actively induces infringement of a patent shall be liable as an infringer.

(c) Whoever sells a component of a patented machine, manufacture, combination or composition, or a material or apparatus for use in practicing a patented process, constituting a material part of the invention, knowing the same to be especially adapted for use in an infringement of such patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use, shall be liable as a contributory infringer.

(d) No patent owner otherwise entitled to relief for infringement or contributory infringement of a patent shall be denied relief or deemed guilty of misuse or illegal extension of the patent right by reason of his having done one or more of the following: (1) derived reve-

nue from acts which if performed by another without his consent would constitute contributory infringement of the patent; (2) licensed or authorized another to perform acts which if performed without his consent would constitute contributory infringement of the patent; (3) sought to enforce his patent rights against infringement or contributory infringement. July 19, 1952, c. 950, § 1, 66 Stat. 811. [35 U.S.C.A., 3rd Vol., pp. 17, 18].

VI. STATEMENT OF THE CASE

A. PROCEEDINGS IN THE COURTS BELOW

On June 14, 1967, the Laitram Corporation, plaintiff-respondent and the owner of the patents in suit, filed suit charging the shrimp deveining machines manufactured and sold by defendant-petitioner, Deepsouth Packing Co., Inc., constituted infringement of both U.S. Patent 2,694,218 (A: 114) entitled "Shrimp Deveining Machine" (hereinafter referred to as the "'218" or "slitter" patent) and U. S. Patent 2,825,927 (A: 120) entitled "Shrimp Vein Remover" (hereinafter referred to as the " '927" or "deveiner" patent).

On June 30, 1969, after the trial on the merits, the district court found that only Claim 3 of the eight asserted claims of the '218 patent was infringed, albeit only by virtue of the doctrine of equivalents (A: 53). Similarly, the district court held that six of the seven asserted claims of the '927 patent were invalid as "hopelessly vague and indefinite '927" (A: 57) and that only Claim 1, whose "language can claim no prize for clarity or artistry", was valid and infringed (A: 57). Deepsouth was enjoined (A: 67) from any further infringement (301 F. Sup. 1027).

On July 30, 1960, Deepsouth filed an appeal (Appeal No. 28286) to the Court of Appeals for the Fifth Circuit from the decision of the district court.

During the pendency of Appeal No. 28286 to the Court of Appeals, defendant filed a motion (A: 222) in the district court seeking modification of the injunction to explicitly exclude manufacture and sale in the United States of all the parts of its deveiners for assembly and use only in a foreign country. The district court ruled (A: 70-75) that such acts did not constitute infringement in view of existing law, and therefore, no modification of the injunction was required (310 F. Supp. 926). Laitram filed an appeal (Appeal No. 29776) to the Court of Appeals for the Fifth Circuit from the district court's ruling. The two appeals were consolidated and proceeded concurrently.

In separate decisions dated May 6, 1971, the Court below affirmed the district court in Appeal No. 28286 on the issues of validity, infringement and enforceability and remanded the case for "accounting, damage and cost proceedings" (A: 81-93). The Court of Appeals reversed the district court in Appeal No. 29776, refusing to follow the existing Circuit Court law relied upon by the district judge and held that the manufacture and sale of the unassembled elements of the combinations claimed in the patents in suit constituted direct infringement under 35 USC § 271(a) (A: 76-80).

On August 27, 1971, Deepsouth petitioned this Court for Writ of Certiorari from both decisions of the Court below. The petition was granted (A: 96), but limited to the question of whether the manufacture and sale in the United States of all elements of a claim reciting

a combination of old elements constituted infringement of a United States patent when all assembly, testing and use occurred in a foreign country.

B. FACTS OF THE CASE

(1) The Patents in Suit

The '218 and '927 patents (A:114 and 120) in suit are directed to machines for removing the veins from the backs of peeled shrimp (A: 1).

The '218 patent, as shown particularly in Fig.1 (A: 114), discloses a single embodiment of a "slitter" for cutting the backs of the shrimp, thereby exposing the veins for removal by suitable means.[3] This slitter comprises a static, inclined trough carrying a series of knives (razor blades) positioned slightly above the trough surface in an opposed, zig-zag configuration. Water spray nozzles are directed downward from above the knives. When shrimp are delivered to the top of the trough, they slide down the water-lubricated surface on their sides and are shunted back and forth between the opposed edges of the oppositely disposed knives, resulting in the slitting of the backs of the shrimp and exposure of the vein.

Claim 3 of the '218 patent recites the patented combination as follows:

> "A shrimp deveining machine comprising:
> an *inclined trough* down which shrimp are induced to slide,

---

[3] When the application maturing into the '218 patent was filed, the applicants believed the structure disclosed would satisfactorily remove the vein as well as slit the backs of the shrimp. When it *was found that the water sprays of the* 'BVR *patent were ineffective* in achieving this result, it became necessary to develop the equipment of the '927 patent to effect satisfactory vein removal (A: 4, 33, 54).

a *knife* in said trough positioned to be encountered by shrimp to cut the membrane confining the vein,

and a *water spray* to the trough directed upon the shrimp for sliding the shrimp down the trough and for flushing out the vein from the severed membrane."

Claim 3 thus recites a combination of three admittedly old elements,[4] viz., an inclined trough, a knife, and a water spray, all disposed in a particular cooperative[5] relationship to effect the desired slitting operation.

The '927 patent in suit discloses apparatus for removing the vein exposed by the action of the "slitter". In all the embodiments shown, the structure effecting removal of the vein is a punched metal sheet material having, as a result of the punching, "lips" or "fingernails" protruding at an acute angle from the surface of the sheet. The punched sheeting is a standard material of commerce and was found by the inventors in, and ordered from, a standard materials catalog (A: 4, 38, 55; 175-177).

In a preferred and commercial embodiment, this punched sheet material is formed into a drum with the "lips" projecting inwardly from the surface (A: 4). When shrimp and water are introduced at one end of the drum and flow therethrough, the revolving of the drum causes the lips to contact and remove the vein

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[4] Indeed, these same three elements are the basic operative elements used in the prior art McKinstry deveiner disclosed in U.S. Patent 2,644,980 (A: 152-162).

[5] It is interesting to note that in the body of the claim about 80% of the verbiage is directed to the operative interrelationships between the elements rather than to mechanical description of the elements themselves.

when the semi-floating shrimp are positioned in juxtaposition to the revolving lips by action of the water (A: 58, 129). In all embodiments, water is described as the means associated with the support member (carrying the "lips") to effect relative movement between the shrimp and the support.

Claim 1 of the '927 patent recites the claimed combination as follows:

> "In a shrimp vein remover,
>
> *a support member,*
>
> *a lip* protruding at an acute angle from the support member and having a smooth rounded free edge for engaging beneath the vein of a shrimp and for wedging the vein between the lip and the support member,[6] and
>
> *means* operatively associated with said support member *for relatively moving the shrimp with respect to said member* to cause separation of the vein from the shrimp meat."

Claim 1 of the '927 patent thus recites a combination of admittedly old elements employed in cooperative relationship (A: 54, 55), viz, a support member, a lip projecting from the support member (the *support* and *lip* defining the "fingernail" material) and means (water) for relatively moving the shrimp with respect to the support member.[7]

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[6] Although recited as separate elements, i.e. a base and a lip protruding therefrom, this language refers to the punched metal material available as a staple article of commerce.

[7] Here again the great preponderance of the claim verbiage is directed to the operative interrelationships between the elements rather than to mechanical description of the elements themselves.

(2) Defendant's Deveining Machinery

Deepsouth's commercial deveiner consists of three units arranged in series—a rocking slitter, a jet washer, and a discharge conveyor, on each of which Deepsouth has been granted a separate patent, i.e., U.S. Patents 3,031,714 (A: 14, 133), 3,024,490, and 3,414,934 (A: 145), respectively. Only the first and third units were charged with infringement.

The Deepsouth slitter comprises an inclined rocking trough or table which reciprocates (rocks) through an arc about its longitudinal axis. Several long razor blades are mounted in parallel relationship on the flat surface of the trough. A water header, i.e., a length of ordinary pipe with a series of spaced holes along its length, is located at the top of the trough to supply lubricating water to the top of the tray.[8] When shrimp are fed to the top of the rocking tray and slide downward between the blades, the rocking action of the trough drives the blades into the shrimp to effect the required slitting. The shrimp then are fed into the jet washer.

The jet washer comprises a flume in which the slit shrimp are tumbled by high pressure jets of water to open the slit membranes and wash out the great majority of the veins before passage to the point of discharge through the discharge conveyor.

The Deepsouth discharge conveyor comprises a high speed upwardly-inclined endless belt leading through an elongated box (about six feet long) from the jet washer to a discharge point. Two sets of laterally opposed water jets are spaced along the belt. In

[8] The trial judge held that the header was not a "spray" but that the delivery of water to the top of the trough was the equivalent of a "spray" upon the shrimp (A: 48).

Deepsouth's first commercial model, the belt was made of woven mesh material, admitted by Laitram not to be an infringement (A: 111). The mesh material presented cleaning problems and was replaced with a belt made of the "fingernail" type material[9] disclosed in the '927 patent (A: 6, 7). It is the latter structure which was held in Appeal No. 28286 to be an infringement when the discharge conveyor was made, used and sold in the United States.

When the slit, jet-washed shrimp are fed at a slow speed onto the high speed conveyor belt, tumbling is induced. Any remaining veins then are caught in the interstices of the mesh belt or under the "lips" of the fingernail belt (depending on which material is used), and removed. If necesssary to complete deveining, the opposed water jets are employed to lift the shrimp from the belt and induce additional tumbling.

(3) Foreign Shipment of the Accused Deveiner

The elements recited by the claims[10] in suit never were assembled in this country for any purpose. All were separately manufactured and crated for shipment in three different boxes[11] as follows:

Box 1—

1. discharge conveyor with jets and non-infringing mesh belt installed;

---

[9] It was this same "fingernail" material which is a standard article of commerce and was merely found by the inventors in a commercial materials catalog (A: 38, 177). Note use of this type of material as an abrading belt in U.S. Patent 2,518,488 (A: 171) and in hand-operated fish scalers as shown in U.S. Patent 565,999 (A: 166) and U.S. Patent 1,028,736 (A: 168).

[10] The trough, a knife and a water spray ('218 patent), or the "fingernail" material and water ('927 patent).

[11] The boxed parts are pictured and their contents listed at A: 392-393 and 395, respectively.

2. razor blades for the slitter (held covered by Claim 3 of the '218 patent); and
3. various frame and support members, structural parts, water pump, a feed conveyor, motors, and the like (not recited by any claim).

Box 2—

1. the rocking trough or table (held covered by Claim 3 of the '218 patent); and
2. frame base and hold-downs for rocking tough (not recited by any claim).

Box 3—

1. two "fingernail" replacement belts (held covered by Claim 1 of the '927 patent);
2. rocking table water manifold or header with hose (held covered by Claim 3 of the '218 patent);
3. a feed conveyor and rocking table connecting arm (not recited by any claim).

The three boxes were transported by ship to Brazil and all assembly, testing and use occurred in the foreign customers' plant. (A: 285-302, 308-309, 322-324, 334-336; 225-226; 230-235.)

(4) Laitram's Foreign Patents

Liatram (through its affiliate Liatram International, Inc.) owns forty-one foreign patents corresponding to one or both of the patents in suit. In Brazil the slitter is covered by Brazilian Patent 54,882. (A: 183-189.)

VII. SUMMARY OF ARGUMENT

Petitioner, Deepsouth, advocates a strong patent system to effectuate the constitutional *purpose* of promoting the progress of the useful arts. But strength will become weakness if the system is extended beyond its intended purposes. The decision below makes such an extension and, contrary to 35 U.S.C. § 271, and the controlling decisions of this Court, gives the patents in suit extra-territorial effect.

A. A patent is a privilege granted in return for a disclosure of an invention. To achieve this purpose intended, the patent must be limited strictly to the terms of the grant (*Mercoid Corp.* v. *Mid-Continent Investment Co.* 320 U.S. 661 (1944); *Mercoid Corp.* v. *Minneapolis Honeywell Regulator Co.* 320 U.S. 680 (1944)). A clear line must be observed between subject matter fairly within the claims and the right of the public to employ the disclosure outside the legitimate scope of the grant. Patent claims and the patent law governing their interpretation must permit the public with reasonable certainty to determine the scope of the patent grant (*United Carbon Co.* v. *Binney & Smith Co.* 317 U.S. 228 (1942)).

B. Combination patent claims, such as those in suit, are infringed only if the recited elements are assembled within the territorial jurisdiction of the patent. A patent on a combination is a patent on the assembled or functioning *whole*—not on the separate parts. Unassembled parts are not characterized by requisite synergistic relationship and are not the thing patented. (*Mercoid I* and *II*, *supra; Prouty* v. *Ruggles,* 16 Peters 336; *Leeds & Catlin Co.* v. *Victor Talking Machine Co.* 213 U.S. 301 (1908); *Anderson's Black Rock* v. *Pavement Salvage Co.,* 369 U.S. 57 (1969)).

C. The decision that petitioner's manufacture and sale within the United States of the *unassem-*

bled elements of a combination constitutes direct infringement under 35 U.S.C. § 271 (a) when all assembly, testing and use occurs in a foreign country, is in direct conflict with well reasoned decisions by the Courts of Appeal for the Second, Third and Seventh Circuits (*Radio Corporation of America* v. *Andrea*, 79 F.2d 627 (2d Cir. 1935) and 90 F.2d 612 (2d Cir. 1937); *Cold Metal Process Co.* v. *United Engineering & Foundry Co.* 235 F.2d 224 (3rd Cir. 1935); *Hewitt-Robins* v. *Link-Belt Co.*, 371 F.2d 225 (7th Cir. 1966)). The conflicting rule in these Circuits is in accord with both the letter and spirit of 35 U.S.C. § 271, and the controlling decisions of this Court.

D. The Court below has confused subsections (a) and (c) of 35 U.S.C. §271 by finding *direct* infringement on the facts of this case. Those facts would support a finding of *contributory* infringement *only if* a *direct* infringement by assembly and/or use of the claimed combination occurred in the United States. One who with requisite knowledge manufactures and sells and/or factors one or all of the elements of a combination claim, which are not staples of commerce and are especially made or adapted for subsequent assembly and/or use in a patented combination within the United States, is a contributory infringer under §271(c). The one who assembles and/or uses the claimed combination within the United States directly infringes the patent under §271(a). Without direct infringement, there can be no contributroy infringement(*Aro Mfg. Co.* v. *Convertible Top Replacement Co.* 365 U.S. 336 (1961) and 377 U.S. 476 (1964)).

E. The Court below improperly preoccupied itself with immaterial consideration of Deepsouth's legitimate competition with Laitram outside the jurisdiction of the patents in suit. In the mistaken belief that such competition was wrong,

the Court ignored the nature of combination claims as established by the decisions of this Court as well as to its own precedent. (*Reed* v. *Parrack*, 276 F.2d 784 (5th Cir. 1950)). The invention of a combination claim is not "made" within the scope of 35 U.S.C. § 271(a) until the *elements* of the combination are *assembled*. (*Woodward Co.* v. *Hurd*, 232 U.S. 428 (1913)). The presence of each element of a combination claim is critical to a finding of infringement. Non-assembly of the recited elements within the United States cannot be brushed off as "minor" or a mere technicality. (*Cimiotti Unhairing Co.* v. *American Fur Ref. Co.*, 198 U.S. 399 (1904) ; *Reed, supra.*)

The approach of the Court below was improperly influenced by its finding in the companion appeal (No. 28286), that respondent directly infringed the patents in suit by its domestic manufacture and sale of the *assembled* combination. The critical significance of lack of assembly of the elements of the claimed *combination* in the United States was ignored. Where no assembly occurs in the United States, Laitram must rely on its foreign patents (here the Brazilian) to protect its competitive position in foreign markets.

F. The existing law controlling infringement of combination claims is consistent with the law controlling their patentability and validity. To be patentable or valid, a combination claim must recite the cooperative relationship between the elements of the combination which is responsible for the net result of the combination exceeding the sum of the parts. Such synergistic relationship is a prerequisite to the patentability of a combination of elements. (*Great Atlantic & Pacific Tea Co.* v. *Super Market Equipment Co.*, 340 U.S. 147 (1950) ; *Anderson's Black Rock, supra.*) The same synergism *must* characterize every infringing device and can exist only in the assembled combination. Absent assembly, the sum of the parts necessarily cannot be exceeded.

The erroneous decision below should be reversed.

VIII. ARGUMENT

While often the target of criticism throughout its nearly two hundred years of history, the United States patent system manifestly has served and continues to serve its constitutional purpose to "promote the progress of Science and the Useful Arts."[12] Let it be clear from the outset that petitioner, Deepsouth, comes before this Court as an advocate for a strong patent system[13] which encourges prompt disclosure and ultimate transfer to the public domain of innivative concepts. But strength begets weakness in any system when, erroneously or unwittingly, it is employed to effect a result never contemplated and contrary to its fundamental precepts.

In its decision, the Court of Appeals for the Fifth Circuit ostensibly has employed two United States patents to prevent economic competition in a *foreign* jurisdiction—a result wholly contrary to any intent or justifiable purpose of the patent system. In reasoning its way to this result, the Court below necessarily has ignored the fundamental purpose of a United States patent, as well as the nature and scope of a patent claim directed to a combination of elements.

In effect, the decision of the Court below attempts to turn back the clock past 35 U.S.C. 271 with its carefully drafted statutory definitions of infringement; past the

[12] Constitution of the United States, Article 1, §8: "The Congress shall have the Power . . . to promote the Progress of Science and the Useful Arts, by securing for limited times to authors and inventors the exclusive Right to their respective writings and discoveries."

[13] and, indeed, is a patent holder in its own right (p. 10 supra).

Mercoid cases[14] with their penetrating examination into the nature of combination claims; even past the earlier decisions in which this Court established the standards for direct infringement and specifically in respect to claims drawn to a combination of elements. But as will be developed hereinafter, this Court did establish the law of direct infringement and following enactment of 35 U.S.C. § 271 has held that § 271(a) has left that law unchanged. In the 1952 Act, The Congress, in § 271 has re-established the law of contributory infringement (§ 271(c)) in terms quite different than those used to define direct infringement. The clear line of distinction between direct and contributory infringement, fully recognized by this Court,[16] precludes the confusing intermingling of the two attempted in the decision below.[17]

Unless reversed to conform to controlling decisions of this Court and Legislative definitions of infringement, errors in the decision of the Court will perpetuate uncertainties which only Congressional action can correct.

A. As Recognized by This Court, The Patent System Functions as Intended Only If a Patent is Confined to the Thing Patented

The purpose and scope of a United States patent are succinctly expressed in *Mercoid Corporation* v. *Mid-*

[14] *Mercoid Corporation* v. *Mid-Continent Investment Co.*, 320 U.S. 661, 88L. ed. 376 (1944); and *Mercoid Corporation* v. *Minneapolis Honeywell Regulator Co.*, 320 U.S. 680, 88 L. ed. 396 (1944).

[16] *Aro Manufacturing Co. v. Convertible Top Replacement Co.*, 377 U.S. 476, 12 L. ed. 2d 457 (1964).

[17] The many other errors of omission and commission of the Court below will be treated separately in Section VIII-F of this brief.

Continent Investment Company, 320 U.S. 661, 665, 88 L. ed. 376, 381 (1944), where this Court stated:

> "The grant of a patent is the grant of a special privilege 'to promote the Progress of Science and useful Arts.' Const. Art. I, §8. It carries, of course, a right to be free from competition in the practice of the invention. *But the limits of the patent are narrowly and strictly confined to the precise terms of the grant* . . . It is the public interest which is dominant in the patent system. . . It is the protection of the public *in a system of free enterprise* which alike nullifies a patent where any part of it is invalid . . . and denies to the patentee after issuance the power to use it in such a way as to acquire a monopoly *which is not plainly within the terms of the grant.* The *necessities or convenience* of the patentee do not justify any use of the monopoly of the patent to create another monopoly. . . . The patent is a privilege. But it is a privilege which is conditioned by a public purpose. It results from invention *and is limited to the invention which it* defines.[18]"

The beneficial system here described and delimited is served only by strict observance of a clear line between the *thing patented* and the rights of the public *outside* the scope of the patent grant. Moreover, the patent claim and the law under which it is to be interpreted must permit competitors within the framework of the free enterprise system to determine with reasonable certainty the precise scope of the monopoly which has been granted to the innovator. "A zone of uncertainty which enterprise and experimentation may enter only at the risk of infringement claims would discourage invention only a little less than unequivocal foreclosure of the field." *United Carbon Co.*

[18] A similar admonition appears in *Graham* v. *John Deere Co.* 383 U.S. 1, 5, 15 L. ed. 2d 545, 549 (1966).

v. *Binney & Smith Co.*, 317 U.S. 228, 236, 87 L. ed. 232, 237 (1942) It is evident on its face that the decision below introduces unnecessary confusion and unpredictability into an area where clarity and certainty heretofore has existed.

B. A Combination Claim Can be Infringed Only by the Thing Patented, *i.e.*, the Assembled Combination

This Court uniformly has held that a combination claim can be infringed only by the assembled combination. Examination of several chronologically spaced opinions establishes the rule.

In *Prouty* v. *Ruggles*, 16 Peters. 336 10 L. ed. 985, 987 (1842), the Court stated:

> "The patent is for a combination and *the improvement consists in arranging different portions of the plough, and combining them together in the manner stated in the specification* for the purpose of producing a certain effect. None of the parts rereferred to are new, and none are claimed as new; nor is any portion of the combination less than the whole claimed as new, or stated to produce any given result. The end in view is proposed to be accomplished by *the union of all, arranged and combined together in the manner described.* And this combination, composed of all the parts mentioned in the specification, and *arranged with reference to each other*, and to other parts of the plough in the manner therein described, is stated to be the improvement, and *is the thing patented.*"

In the landmark case of *Leeds & Catlin Company* v. *Victor Talking Machine Company*, 213 U.S. 301, 318, 53 L. ed. 805, 813 (1909), the Court held:

> "A combination is a *union* of elements, which may be partly old and partly new, or wholly old or wholly new. But, whether new or old the combina-

tion is a means—an invention—*distinct from them.* They, if new, may be inventions and the proper subjects of patents, or they may be covered by claims in the same patent with the combination.

But whether put in the same patent with the combination or made the subjects of separate patents, they are not identical with the combination. *To become that they must be united under the same co-operative law.* Certainly, one element is not the combination, nor, in any proper sense, can it be regarded as a substantive part of the invention represented by the combination. . . .

. . . It is not of claim 35, for that claim is for a combination and one element is not the combination. *Indeed, all the elements are not.* To be that,—to be identical with the invention of the combination,—*they must be united by the same operative law.* Of course, an element is a part, an essential part, of the combination, and enters as an operative agent in the performance of its functions. But this does not make it identical with the combination."

In *Leeds & Catlin Company* v. *Victor Talking Machine Company,* 213 U.S. 325, 332, 53 L. ed. 816, 819 (1909), a companion case, the Court reiterated:

"A combination is a composition of elements, some of which may be old and others new, or all old or all new. It is, however, the combination that is the invention, *and is as much a unit in contemplation of the law as a single or noncomposite instrument.* Whoever uses it without permission is an infringer of it."

Later in *Mercoid Corporation* v. *Mid-Continent Investment Company,* 320 U.S. 661, 667, 668, 88 L. ed. 376, 382 (1944), this Court observed:

"The patent is for a combination *only.* Since none of the separate elements of the combination is claimed as the invention, *none of them when*

> *dealt with separately* is protected by the patent monopoly. . . . Whether the parts are new or old, the *combination is the invention*, and it is distinct from any of them."

In the second *Mercoid* case, *Mercoid Corp.* v. *Minneapolis Honeywell Regulator Co.*, 320 U.S. 680, 684, 88 L. ed. 396, 399 (1944), it was stated:

> "The fact that an unpatented part of a combination patent may distinguish the invention does not draw to it the privileges of a patent. That may be done only in a manner provided by law. However worthy it may be, however essential to the patent, an unpatented part of a combination patent is no more entitled to monopolistic protection than any other unpatented device. For as we pointed out in Mercoid v. Mid-Continent Invest. Co., 320 U.S. 661, ante, 376, 64 S. Ct. 268, supra, *a patent on a combination is a patent on the assembled or functioning whole, not on the separate parts.*[19] The legality of any attempt to bring unpatented goods within the protection of the patent is measured by the anti-trust laws not by the patent law."[20]

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[19] As developed in Section F, *infra*, the decisions of this Court require that, to be valid, a combination of old elements exhibit a *"synergistic" result Anderson's Black-Rock, Inc.* v. *Pavement Salvage Co.*, 396 U.S. 57, 60, 24 L. ed. 2d 258, 261 (1969). "The conjunction or concert of known elements must *contribute something:* only when the whole in someway *exceeds* the sum of its parts is the accumulation of old devices patentable." *Great Atlantic and Pacific Tea Co.* v. *Super Market Equipment Co.*, 340 U.S. 147, 151, 152, 95 L. ed. 162, 166 (1950).

[20] The attempt of the Court below to brush aside the authoritative statements on the nature and scope of combination claims in the *Mercoid* cases on grounds that these decisions involve misuse (443 F.2d 939) is disposed of by this Court in *Aro Manufacturing Co.* v. *Convertible Top Replacement Co.*, 365 U.S. 336, 334, 5 L. ed. 2d 592, 598 (1964) where footnote 10 states: "Although the Mercoid cases involve the doctrine of patent misuse, which is not an issue in this case, they also specifically delimit the character of a combination patent monopoly and it is upon that matter that they are relevant here."

Despite a diligent search, petitioner has been unable to find a single case where any Court, faced with a necessity to decide the issue on that basis alone, ever before has *held* that a collection of unassembled parts constitutes a *direct* infringement of a United States patent.[21]

C. Manufacture and Sale of all Elements Without Assembly in the United States for Assembly and Use Abroad is not Infringement Under the Existing Law

In this case, the decision of the Court of Appeals for the Fifth Circuit is in direct conflict with well reasoned decisions of the Courts of Appeal for the Second, Third and Seventh Circuits. No rationale advanced by the Court below affords a tenable basis for affirmance—an affirmance which would require a reversal of the holdings of the Second, Third and Seventh Circuits, holdings based on settled principles of law consistently enunciated by this Court.[22]

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[21] Three cases have been relied on below to support the proposition that unassembled parts can infringe a combination claim. None does. The language of the Court in the unreported case *Westinghouse* v. *Experimentors Information Service,* E 29/110 (DCSDNY, 1924) (A:402), establishes that the machine there had been assembled by the defendant, then disassembled and sold, and subsequently reassembled. In *Ric-Wil. Co.* v. *Kaiser Co.,* 187 F. 2d 1 (7th Cir. 1951), no infringement was found. Unclear dictum in the opinion was considered and discarded as inapposite in *Hewitt-Robins* v. *Link Belt Co.,* 371 F. 2d 225 (7th Cir. 1966), one of the cases in conflict with the Court below. In *Kreplik* v. *Couch Patents Co.,* 190 Fed. 565 (1st Cir. 1911), the district court had found liability on grounds of both direct and contributory infringement. The facts in the case indicate that the purchaser of the two separate beds involved needed to do nothing but slide the smaller under the larger without physical connection to complete the patented combination. *Kreplick* also was discarded by the Court of Appeals in *Hewitt-Robins* as inapposite. None of these three cases involved furnishing of parts for *initial* assembly outside the United States.

[22] The decisions of the three Circuit Courts will be examined in some detail to present both the facts and reasoning behind the decision reached.

In *Radio Corporation of America* v. *Andrea,* 79 F. 2d. 626 (2d Cir. 1935), hereinafter called *Andrea I,* the defendant had been preliminarily enjoined by the district court from shipping certain radio sets with a set of unassembled tubes abroad on the ground that plaintiffs' patents were thereby infringed.

Reversing the District Court, the Court of Appeals for the Second Circuit, stated:

> "Under the facts at bar, ... we cannot say that the patented combination was *complete* until *physical connection* is established between the terminals of the circuits and the electrodes of the tube, *for such relationship is the essence of the patent.*
>
> Nor is this conclusion so highly technical as it may at first blush appear. No wrong is done the patentee until the combination is formed. His monopoly does not cover the manufacture or sale of separate elements capable of being, but never actually, associated to form the invention. Only when such association is made is there a direct infringement of his monopoly, and not even then if it is done outside the territory for which the monopoly was granted. This is the basis for the doctrine of contributory infringement, which *permits* the elements of a patented combination to be sold in this country with the intent that the purchaser shall make and use the invention abroad. . . . Not disputing this principle of law when only part of the elements of a patented combination are involved in the sale, the plaintiffs apparently contend that it is inapplicable when *all the elements are sold together,* though disassembled and intended to be put into operable relationship only abroad. No authority has been cited which puts any such limitation upon the doctrine of contributory infringement; and on principle none such is justifiable. By their sales *for export* the defendants were guilty of *neither* direct nor contributory infringement." (79 F.2d at 628-629).

At the trial subsequent to the *Andrea I* decision, it was determined that each radio in question actually had been fully assembled and subjected to *operational tests*, and was subsequently disassembled by removal of the tubes from their sockets. The tubes then were packaged separately but placed with the tubeless chasis in a single, larger carton for export. The district court found that the patents in suit now had been infringed in that the defendant *had made and used the claimed combinations*. On appeal, *Radio Corporation of America* v. *Andrea*, 90 F. 2d. 612, 614 (1937), (hereinafter referred to as *Andrea II*), the Court of Appeals stated:

> "On *this* record it appears that the receiver and tubes *were* assembled completely and tests of operation were made after which the tubes were taken out, packed in separate cartons but within the same larger carton as the receiver. The sales for the completed receiving sets *were made within the territorial limits of the United States* and shipped in export. The single package contained all the elements of the combination.
>
> * * * * *
>
> "In the instant case, the invention is defined as a combination of vacuum tubes with circuits. Defendants may not be relieved of infringement merely because the tube electrodes are *physically disconnected* from the circuits at the moment of sale. Cf. Spirella Co. v. Nubone Corset Co., 180 F. 470, 473 (C.C.Pa); Strobridge v. Lindsay, Sterritt & Co., 6 F.510 (C.C.Pa). We hold, therefore, that on *this* record, there is infringement by the sale *of the combination as described.*" (90 F.2d at 614).

In *Cold Metal Process Co.* v. *United Engineering & Foundry Company*, 235 F. 2d. 224 (3rd Cir. 1956), the defendant was the licensee of plaintiff-patentee. Con-

troversy arose with respect to the amount of royalties due on the production and sale by defendant of steel rolling mills. The mills broke down into two types. In the first, all parts of the mills were manufactured in the United States. The parts *ultimately were assembled* in the United States and employed by defendant's customers. This type of mill was found to infringe the combination claims in suit.

With respect to the second type of mill, *assembly* of the claimed combination occurred *outside* of the United States. In a first group of this second type, most of the parts were made by defendant in the United States and shipped abroad, but one element of the claimed combination was made outside the United States. The Court held that infringement was avoided merely because all elements of the combination of the claims had not been manufactured in the United States.[23]

A second group of this second type of mill presented the same situation as that before the Court in the case at bar. All parts of the mills were manufactured in the United States. Defendant, United, had manufactured most of the parts but had obtained some from another manufacturer.[24] The contracts for all of these mills were executed in the United States and payment was received on delivery to the purchaser or its representatives FAS at a designated port in the United

[23] Note that the Court below reserved decision on this state of facts. (443 F. 2d at 939). By failure to comment on the situation where different elements were made by different manufacturers in the United States and assembly was first effected abroad it would appear that the Court of Appeals *does* consider this to be infringement as well.

[24] Petitioner obtains its "knife" (razor blades) for the "slitter" (A:290-5) from an outside vendor (A:292-5).

States. The combination recited by the claims was never completely assembled within the United States.

The district court's decision of non-infringement was affirmed by the Court of Appeals for the Third Circuit in the following language:

> "This brings us to the consideration of the second group of mills, *all the parts of which were manufactured in the United States, but which were shipped unassembled to foreign countries and there assembled and used.* The master held that these mills were not within the license because, if there had been no license, United *would not have been either a direct or a contributory infringer* with respect to them. He based his conclusion upon the rule laid down by the Court of Appeals for the Second Circuit in Radio Corporation of America v. Andrea, 1935, 79 F.2d 626, a case involving the sale for export of unassembled radio sets involving a patented combination when assembled." (235 F.2d at 229, 230).

After quoting extensively from the opinion of Judge Swan in *Andrea I,* the Court then stated:

> "We are in full accord with the rule thus laid down in the Andrea case and we think that the master and the district court were right in applying it here. Its force, in our view, is not impaired by the latter opinion of the court after final hearing in the same case, 2 Cir., 1937, 90 F.2d 612, which held that the defendant had infringed the combination patent there sued on in view of evidence that the radio sets in question had been *completely assembled* in this country and *tests of operation* made after which they were *disassembled* and shipped to purchasers abroad. We do not quarrel with the conclusion of the court that *such* assembling and testing constituted a making and

use of the patented combination in this country. In the present case, however, no such assembling or testing in this country took place. Accordingly, the rule laid down in the first Andrea opinion applies here rather than that stated in the second." (235 F.2d at 230).

Hewitt-Robins, Inc. v. *Link-Belt Co.*, 148 USPQ 530 (D.C.-ILL. 1966) [25] presents the same legal question. The district court stated:

> "It is clear and uncontroverted . . . that the defendant entered into a contractual arrangement . . . to supply certain reclaiming facilities including certain reclaiming apparatus parts *to be assembled and erected at a site in Eregli, Turkey.* It is further apparent that the parts supplied by defendant were *at no time assembled together, tested or placed in operable relationship* within the United States. * * *
>
> * * * *
>
> The available case law on this subject firmly indicates an absence of actionable infringement on these facts. Initially, it should be noted that the patent in suit contains nineteen claims, *each directed to a combination of at least three elements,* digging buckets, support means, and a bridge. Thus, it is apparent that *no infringement can result from the individual manufacture and sale of each individual element without assembly thereof. Aro Mfg. Co., Inc.*, v. *Convertible Top Replacement Co.*, 365 U.S. 336, 344, 128 USPQ 354, 358. . . . We must therefore consider whether the manufacture and sale in this country of parts for an apparatus to be assembled *outside* the territorial limits of the United States falls within the language of Section 271. This question requires a *negative response.*" (148 U.S.P.Q. at 531).

[25] The case was not reported in the Federal Supplement.

The Court of Appeals for the Seventh Circuit affirmed in *Hewitt-Robins, Inc.* v. *Link-Belt Co.*, 371 F.2d 225 (7th Cir. 1966), stated:

> "If anything is settled in the patent law, it is that a combination patent covers only the *totality* of the elements in the claim and that no element, separately viewed, is within the grant. *Aro Mfg. Co., Inc.* v. *Convertible Top Replacement Co.*, 365 U.S. 336, 81 S.Ct. 599, 5 L.Ed. 2d 592. We deem it equally clear that *unassembled elements of a combination patent do not constitute the 'patented invention.'*
>
> In granting summary judgment on defendant's second counterclaim, the District Court relied upon *Cold Metal Process Company* v. *United Engineering & Foundry Co.*, 3 Cir., 235 F.2d 224 and *Radio Corporation of America* v. *Andrea*, 2 Cir., 179 F.2d 626, as affording *clear precedents* that the manufacture and sale in this country of parts of an apparatus to be assembled outside the territorial limits of the United States *does not infringe a combination patent limited to the embodiment of those parts as elements in combination. We agree.*" [26] 371 F.2d at 229.

Thus, in *Andrea, Cold Metal* and *Hewitt-Robins*, the decision of non-infringement has been bottomed on sound principles of law long established by this Court

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[26] The Court below erroneously stated: "It should be noted that the last two decisions (*Cold Metal* and *Hewitt-Robins*) did nothing more than follow Andrea." In point of fact, the Master in the *Cold Metal* case made a thorough analysis of the issues involved and applicable case law (A:408-42). The district court in *Hewitt-Robins* had the benefit of the Masters report in *Cold Metal* and made its own analysis of the case law including several cases not considered in *Cold Metal*. The opinion of the Court below, on the contrary, is strictly *ad hoc*. No analysis of statute or case authority is presented to support the decision reached.

and codified "unchanged" by Congress in 35 U.S.C. §271(a). They are:

(1) The thing patented by a combination claim is the *assembled, functioning whole.*

(2) The *unassembled* elements recited by a combination claim do not constitute the patented invention.

(3) A combination claim is directly infringed only by the totality of the recited elements assembled in operative relationship.

(4) Absent assembly of a patented combination within the territorial jurisdiction of the patent asserted, there can be no direct infringement.[27]

The Court below has made the statement that those following these principles (443 F. 2d. at 938):

"have worked themselves into what we perceive to be a conceptual box . . ."

[27] *Sutton* v. *Gulf Smokeless Coal Co.*, 77 F. 2d 439 (4th Cir. 1935), is of collateral interest. In an appeal from an award of damages for contributory infringement by furnishing unpatented tables for use in a patented process, the Court of Appeals for the Fourth Circuit modified the decision of the District Court to delete damages for tables shipped to a foreign country for use in the same process there. The Court stated:

"The claims of the patents relied on are process claims, and no use of the process in a foreign country would constitute an infringement of these claims. *Manufacture and sale of tables for such foreign use could not constitute contributory infringement; for in such case there is no infringement to which such manufacture and sale would be contributory.* 'Contributory infringement can only arise in this country when somewhere and somehow in this country there is a completed infringement to which a contribution can be made.' *Computing Scale Co.* v. *Toledo Computing Scale Co.* (C.C.A. 7th) 279 F. 648, 678; *Bullock Electric & Mfg. Co.* v. *Westinghouse, etc., Co.* (C.C.A. 6th) 129 F. 105." (77 F. 2d at 441).

Petitioner respectfully suggests that the only "conceptual box" visible in this situation is the one the Court below has fashioned for itself.

D. Manufacture or Sale of Unassembled Elements is Actionable as Contributory Infringement Only If There is Direct Infringement Within the United States

In finding infringement below, the Court of Appeals has confused the application of direct infringement under §271(a), with contributory infringement under §271(c).[28] With *no assembly* of the combination (the thing patented under §271(a)) "within the United States," the Court below has found *direct* infringement on the basis of acts which could be no more than *contributory* infringement under §271(c) *if* the patented combination subsequently *had* been assembled by a direct infringer in this country. Dehors (indeed contrary to) authority, the Fifth Circuit has held that the inventions of the combinations claimed were *made* without the necessary assembly of parts in this country. Thus the contributory infringer of §271(c) has been bootstrapped into §271(a) and converted into a *direct* infringer when no "patented invention" was in fact made "within the United States."[29] Such obfuscation of heretofore clear decisional law and an equally clear statute cannot be sanctioned.

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[28] 35 U.S.C. § 271 is reproduced in full on page 4 *supra*, of this brief.

[29] In "Infringement under Section 271 of the Patent Act of 1952," Journal of the Patent Office Society, Vol. 35, No. 7 (1953) at page 491, Giles S. Rich (now Judge Rich of the Court of Customs and Patent Appeals and a key figure in drafting the 1952 Act) wrote:

> "Paragraph (a) defines direct infringement and is present only for the sake of completeness. We got along without it for 162 years and we could again. *Its omission would change nothing.*

Under 35 U.S.C. §271(a) [and the decisions it merely codifies], a combination patent may be *directly* infringed only by manufacture, use or sale of the assembled combination. However, a manufacturer and seller of something less than the assembled combination may be a *contributor* to or an inducer of direct infringement provided there is direct infringement in the United States. This equitable principle,[30] now is expressed in 35 U.S.C. §271(b), (c) and (d), and defines the torts of *induced* infringement and *contributory* infringement separately from the direct infringement defined in §271(a).

The essence of the "wrong" of the contributory infringer under §271(c) is his knowledge and intent that the item or items he sells (less than the assembled combination) ultimately will be incorporated or assembled into the infringing device (the assembled combination and thing patented). The essence of the "wrong" of the inducer of infringement under §271(b) is his role in actively causing someone else to directly infringe as by "hawking" one or more elements of a combination with knowledge and intent that its use will *result in* an infringement.

Paragraphs (b) and (c) deal with two kinds of contributory infringement. They both belong logically and practically in this category *because they both involve departure from the claim.*"

That, of course, is why less than the assembled combination (required by this Court for infringement) is not the patented invention under §271(a). It departs from the claim and, *if anything,* must be contributory infringement.

[30] First expressed in *Wallace* v. *Holmes,* 29 Fed. Cas. 74, No. 17, 100 (C.C.D. Conn. 1871).

It is the "settled" law of this Court that there can be no induced or contributory infringement without a direct infringement.

In *Aro Mfg. Co.* v. *Convertible Top Replacement Co.*, 365 U.S. 336, 341, 5 L. ed. 2d 592, 597 (1961), the Court stated:

> ". . . it is plain that §271(c)—a part of the Patent Code enacted in 1952—made no change in the fundamental precept that there can be no contributory infringement in the absence of a direct infringement. That section defines contributory infringement in terms *of direct infringement*—namely the sale of a component of a patented combination or machine for use '*in an infringement* of such patent.' And §271(a) of the new Patent Code, which defines 'infringement,' *left intact the entire body of case law on direct infringement.*"

Thus, while the enactment of §271(b), (c)[31] and (d) reaffirmed the doctrine of contributory infringement within limited, statutory bounds, it left undisturbed the requirement of the prior decisions of this Court that contributory infringement cannot exist without a direct infringement. Under 35 U.S.C. §271, as construed in *Aro*, a combination patent cannot be infringed either directly or contributorily unless there is, in fact, an ultimate manufacture, use or sale of the complete, assembled combination "within the United States".

[31] 35 U.S.C. §271(c) specifically was enacted to avoid the excesses of some of the previous decisions granting relief on the basis of contributory infringement. Staple articles of commerce suitable for substantial non-infringing use are specifically excluded and it further is required that the accused contributory infringer know that what he sells to the direct infringer is "especially made or especially adapted for use in an infringement of such patent." *Aro Manufacturing Co.* v. *Convertible Top Replacement Co.*, 377 U.S. 476, 12 L. ed. 2d 457 (1964).

Where the facts establish the requisite knowledge that what he sells is "especially made or especially adapted for use in" direct infringement and such infringement *does occur* in the United States, the contributory infringer may be held liable whether his contribution be *one* element essential to the infringement as in *Aro*, or *all* elements of the combination in unassembled form as in *Woodward Co.* v. *Hurd*, 232 U.S. 428, 429, 430, 58 L. ed. 670, 671 (1914). In *Woodward*, Mr. Justice Hughes stated:

> "Nor did the defendant itself make the patented article. *The defendant buying from the Diamond Company the rubber* that had been made by the Kokomo Company, *and otherwise obtaining the necessary channel of metal and the retaining wires*, sold *all the parts to be united* into the patent structure by its customers . . . The case as stated concerns the liability of the defendant *as a contributory infringer* upon the assumption that, in the manner described, *it assembles* [collects together] *the various elements essential to the making of the Grant tire, and sells them with the intent and purpose that they be so combined.*
>
> Can the defendant demand immunity upon the ground that *one* of the elements in which it dealt was made and sold by the Kokomo Company? We think not. It is not simply a purchaser of, or dealer in, that which the Kokomo Company produces. The defendant goes beyond that; it buys from others the parts that are as much needed in effecting the patented combination as the rubber itself, and sells them in order that *the infringing device may be constructed by its customers.*"

Significantly, the sale of *all* of the elements in the *Woodward* case was not held to be a *direct* infringement, but a *contributory* infringement *dependent* upon

"the infringing device" being "constructed by its customers." [32]

Thus the opinion below is completely at odds with all of the relevant precedents of this Court that a combination claim can be infringed only by the completed, assembled combination. In particular, it directly contravenes the holdings in the *Hurd* cases that *the infringing device* is constructed *by the customer* when another furnishes *all* of the *unassembled* parts.

Manifestly, the Court below has reached a conclusion foreclosed by 35 U.S.C. §271 and cited decisions of this Court. Acts, which under other circumstances may constitute contributory infringement, do not "magically" become actionable when, under law, there has been no direct infringement in this country.

E. The Decision of the Court Below Misconstrues the Controlling Statute and Ignores Controlling Decisions of this Court

35 U.S.C. §271(a) provides that:

> "Whoever without authority, makes, uses or sells any patented invention, *within the United States* during the term of the patent therefor, infringes the patent."

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[32] In the companion case of *Seim* v. *Hurd*, 232 U. S. 420, 426, 58 L. ed. 667, 670 (1914), this court makes clear the distinction between the *contributory* infringement found in *Woodward* and the *direct* infringement involved by assembly of the elements of the combination. The court stated:

> "It is thus apparent that the defendants themselves constructed the device, *effecting that union of the separate elements which alone could bring the structure within the patent claims.* . . . There was *no actual infringement* until they made the tire, and for their act in making it they could not escape liability *by the purchase of parts* from others."

Since the statute is in terms limited to "within the United States," the Court below obviously was foreclosed from finding that assembly or use of the claimed inventions *outside* of the United States infringes the patents in suit.

Since the statute proscribes extra-territorial effect, whatever takes place outside of the United States is immaterial to the issue of infringement and only acts occurring "within the United States" can be relied upon to establish infringement.

Notwithstanding this established principle of law, the Court below has heavily and improperly relied upon the fact of ultimate assembly and use *abroad* to find a "wrong" committed *in this country*. The extent to which the Court was unduly influenced by subsequent foreign assembly and usage is apparent from its statement of the problem as follows (443 F. 2d. at 937, A:76):

> "Our present problem is to decide whether Deepsouth *may sell* its infringing machine *in foreign markets* when it produces all essential parts of the machine in the United States. . . ."

By presupposing infringement, the Court prejudiced its solution to the postulated problem.

The reference to foreign markets is irrelevant. Under §271, there can be no "infringing machine" unless the claimed combination is assembled in the United States. Competition in foreign markets is an immaterial "red herring" which begs the question here involved. The sole, statutory issue before the Court was whether Deepsouth infringed the patents in suit "within the United States" when it produced all essen-

tial parts of the machine in the United States, but when *the combination claimed was never assembled in the United States.*

Further, the Court below emphasizes the fact that assembly of the machine could be completed "in less than an hour *once it arrived overseas*" (443 F. 2d. at 938, A:77). The relevant *question* is whether making and selling the unassembled parts of the claimed combination constitutes an infringement when no assembly ever occurred in the United States. Neither the time taken to assemble *overseas* nor the fact of ultimate assembly *abroad* is material to the issue.

Misplaced reliance on extraneous foreign activity again appears from the statement (443 F. 2d. at 939, A:79, 80):

> "It would allow an infringer to set up shop next door to a patent-protected inventor whose product enjoys a *substantial foreign market* and deprive him of this valuable business. If this Constitutional protection is to be fully effectuated, it must extend to an infringer who manufactures in the United States and then *captures the foreign markets from the patentee.*
>
> The constitutional *mandate cannot be limited to just manufacturing and selling within the United States.* The infringer would then be allowed to reap the fruits of the American economy-technology, labor materials, etc.—but would not be subject to the responsibilities of the American patent laws. We cannot permit an infringer to enjoy these benefits and then be allowed to strip away a portion of the patentee's protection."

There is no such constitutional mandate. Art. I, §8 (p. 3 *supra*) merely *empowers* the Congress to enact a patent law; it does not dictate the standards of patent-

ability or infringement. Significantly, the only infringement statute promulgated by Congress under the Constitutional *power* is *limited* to assembling or selling the claimed combination "within the United States" when, as in this case, *no use* occurs "within the United States."

The alleged capture of *foreign markets* resulting from manufacture of unassembled parts is entirely immaterial to enforcement of a United States patent. A United States manufacturer has every right to compete in a foreign market *and capture it* as long as he does not *make* or *sell* the thing patented—here the "assembled or functioning whole"—in the United States.

Critical examination of the opinion below leads to the conclusion that the Court was so motivated by *its own* concepts of economic and social justice that it failed to properly apply the clear language of §271 and the controlling decisions of this Court which have interpreted it. Applying the *ad hoc* standards of the Court below, it somehow becomes wrong for one American to compete in *foreign markets* with another American owning a United States patent when such competition actually occurs *outside* of the territorial limits of the patent and the thing patented never comes into being within those territorial limits. Basis for finding such a *wrong* can be justified in no permissible construction of 35 U.S.C. §271.

Stripped of concepts of what constitutes fairness in competition *abroad*, irrelevant to the issue here, the decision below seeks to promulgate the rule that where the *thing patented* is a *combination of elements*, direct infringement is made out if it can be established that the separate parts have been manufactured or sold in

the United States, even when the combination—*the thing patented*—never comes into being "within the United States." If that rule of law is affirmed, then this Court will:

(1) Overrule its previous holdings establishing that direct infringement requires assembly of a claimed combination, and that even contributory or induced infringement cannot be involved unless there is a direct infringement through assembly of the combination within the territorial jurisdiction of the patent.

(2) Judicially amend 35 U.S.C. §271 to render meaningless the carefully phrased distinction between §271(a) and (c) when *all* the parts are made and/or sold in unassembled form.

(3) Void the rules of the United States Patent Office which preclude claiming of a mere catalog of parts without recitation of the elements of a combination in interrelated, operative relationship.[24]

There is and can be no "wrong", no "injustice", no "violation" to a patentee's rights unless there is an actual and direct infringement of the "patented invention" in this country. Under the decisions of this

[24] Section 706.03(f) of the United States Patent Office "Manual of Patent Examining Procedure" provides:

> A claim can be rejected as *incomplete*, if it omits essential elements, steps or *necessary structural cooperative relationship of elements*, such omission amounting to a gap between the elements, steps *or necessary structural connection*. Greater latitude is permissible with respect to the definition in a claim of matters not essential to novelty or operability than with respect to matters essential thereto. See also §706.03(d)."

During the prosecution of its '218 patent in suit, the original claims (including application claim 14, which in amended form issued as patent Claim 3 found infringed below), were rejected by the Ex-

Court, such direct infringement can be effected *solely* by complete assembly of all of the elements of a combination into the *functioning, synergistic whole.* Up to the point where the thing *actually patented* is made or sold, the manufacturer is merely enjoying, as he has every right to do, the *quid pro quo* of the granting of a patent, *viz.*, the right of the public to use *all* technology disclosed by the patentee *right up to the limits of his claims.*

In its strained construction of Section 271(a), the Court below has emphasized the wrong word. It became so preoccupied with the word "makes" that it paid no regard to the really controlling words, "patented invention". The Court below said (443 F. 2d. at 939, A:79):

> "We hold that 'makes' means what it ordinarily connotes—the *substantial* manufacture of the *constituent parts* of the machine."

Section 271(a) does not refer to "the constituent parts" of anything. It pointedly says "whoever makes, uses, or sells any *patented invention* within the United States . . . infringes the patent." As the cited decisions of this Court establish, the "patented invention" is not *one, some* or indeed *all* of the "constituent parts of the machine." Separate parts are not the *thing* patented. They do not furnish the unanticipated, unobvious ad-

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aminer "as being aggregative in form in that they are a *mere catalog of parts.* Each element recited in a claim must be *related* in terms of structure to some other element. See *In Re Hall,* 614 O.G. 11, 1948 C.D. 534." (A:484) In response, the rejected claims (including patent Claim 3 were amended: "to traverse the holding of aggregation and to emphasize the patentable, cooperative relationship existing between a trough like surface, and diagonally disposed knives positioned in staggered relationship to a path of movement down an inclined slick, or lubricated surface." (A: 489).

vance over the prior art required by 35 U.S.C. §§102 and 103 respectively.[35] Unassembled, the parts can only perform their separate individual functions and are an aggregation—a catalog—of parts.

The Court indulged in further faulty reasoning in its statement (443 F. 2d. at 939, A:79):

> "Such a dependence on technicality would require us to countenance obvious schemes, perhaps as simple as omitting an *important screw*, designed to evade the mandate of §271(a)."

Such a statement simply ignores the fundamentals of patent law. Under established principles, all recited elements of a combination claim are *critical* and omission of *any one* avoids infringement. *Cimiotti Unhairing Co.* v. *American Fur Ref. Co.*, 198 U.S. 399, 410, 49 L. ed. 1100, 1105 (1905). If an "important screw" is a recited element, or is the *sole* connection between two recited elements, there can be no infringement without it. On the other hand, if all elements of a combination are assembled, and a purely structural part (an "important screw" or equivalent) necessary or proper for

[35] §102 "A person shall be entitled to a patent unless—

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent . . ."

§ 103 "Conditions for patentability; non-obvious subject matter

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art in which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made. July 19, 1952, c. 950, §1, 66 Stat. 798."

sustained use deliberately is omitted as a basis for argument that final assembly occurred in a foreign country, the Courts will hardly be rendered impotent by such subterfuge. Infringement would be and should be found on such facts.

This case presents no such problem. None of the elements recited by Claim 3 of the '218 patent, i.e., the trough (packaged in box 2) the knife (packaged in box 1) and water spray (a pipe header in the Deepsouth design, and packaged in box 3)—were assembled together in the United States (A:392-5, 295-8). Similarly, the elements recited by Claim 1 of the '927 patent (support member with projecting lip and means for positioning the shrimp) were not assembled together in this country (A:285-9).

The concern for economic fairness and justice expressed by the Court below is extraneous but in any event is misplaced. When an American inventor seeks a patent for a combination of old elements, he knows full well what he gets—protection for the combination and nothing else. That always has been the law. If an American inventor wishes to protect his invention abroad, he has a remedy. He can apply for foreign patents in countries where his invention is or may be of economic importance. That is exactly what Laitram did here and owns patents corresponding to one or both of those in suit in practically every country where shrimp swim offshore—*including Brazil.* (A:179-89)[36]

[36] Significantly, Laitram presently is involved in infringement litigation in Brazil under a corresponding "slitter" patent *against* Deepsouth's *customer who bought and assembled the parts involved in these proceedings.* It would therefore appear that Laitram is quite capable of protecting its interests "in foreign markets" without the fundamental change in our patent law suggested by the Court below.

Under our system, protection of an invention from competition in foreign countries, even from American competitors, must be provided by patents issued in *that country,* not by giving an extra-territorial effect to United States patents.

The error committed below becomes even more clear when it is recognized that the Court inaccurately framed the issue; then inexorably proceeded to an equally inaccurate conclusion. The issue posed was:

> "Whether Deepsouth may sell its *infringing machine* in foreign markets when it produces all essential parts of the machine in the United States but ships it in a form which contemplates *minor final assembly* in such foreign markets." (443 F. 2d. at 937, A:76)

The resulting conclusion was:

> "But we do hold that when all the parts of a *patented machine* are produced in the United States and, in *merely minor respects*, the machine is to be finally assembled for its intended use in a foreign country, that machine is made within the United States." (443 F. 2d. at 939, A:80)

In beginning its consideration with the *conclusion* that the Deepsouth deveiner was "*its infringing machine*" the Court below exhibited an unfortunate predeliction in respect to the limited infringement issue actually before it. The Court of Appeals seems to have suffered difficulty in divorcing from its consideration the fact that:

> "We have held this day in a companion case, . . . that the district court was correct in determining that Laitram's patents were valid *and that Deepsouth had infringed* Claim 3 of the '218 patent and Claim 1 of the '927 patent." (443 F. 2d. at 937, A:37)

But *that* infringement was confined to the companion case and did involve ultimate assembly of the patented combination in the United States. The *different* issue here is whether the shipment of the *unassembled* elements recited by the combination claims for assembly in a foreign country constitutes infringement of a United States patent. Clearly, the Court's analysis of the pertinent issue here was clouded by its conclusion in the companion decision that the *assembled* machine constituted an infringement.

The issue posed by the Court is additionally inaccurate in stating that the final assembly of the deveiner in Brazil was "*in merely minor respects.*" The Court below either ignored or missed the fact that the asserted "minor" assembly left for the foreign country is the *total* assembly together of the several recited elements of the claimed combinations.

Here, the Court was ignoring the admonition of the decisions of this Court that the thing patented in a combination claim is the *combination* of *elements* recited by the claim. The *machine* which the patentee or accused infringer actually sells is unimportant. The *real* issue is whether infringement can exist when the patented *combination* of elements is not assembled in the United States before shipment and assembly and use occurs only in a foreign country.

Claim 3 of the '218 patent recites three elements (assuming, *arguendo*, that a water spray is an element). Claim 1 of the '927 patent also recites three elements[38] (assuming, *arguendo*, that water properly

[38] Two of which are supplied by the single punched "fingernail" material, a material commercially available and in varied use long before the '927 patent (see footnote 9, p. 11, *supra*).

may be claimed as a means for moving the shrimp relative to the lip). *These* are the few *elements* which must be assembled to form the patented *combination*.

The question, therefore, is not whether such assembly is *major* or *minor*, but whether or not these claimed elements *were* assembled and, if not, whether sale of the unassembled parts constituted infringement. In the legal context of this case, the assembly or disassembly of the recited elements of the combination claims cannot be brushed aside as minor. It is the *only* assembly that is material to any question properly before the Court. This should have been apparent from the previous decision of the same Circuit Court in *Reed* v. *Patrick* 276 F. 2d. 784, 787-788 (5th Cir. 1960). There, Chief Judge Brown stated:

> "This *ignores the nature* of a combination patent. *The novelty is not in the elements.* Indeed, in many, if not most, patents for a combination—and certainly this one—the individual components are old, well known parts. The *novelty* which warrants the patent *is in the way in which these things known to skilled artisans are combined to produce a new result or an old result in a new and better way.* Bryan v. Sid W. Richardson, Inc., 5 Cir., 1958, 254 F.2d 191, 194. If, *to paraphrase the playwright 'the combination is the thing' then all that goes to make up that combination is indispensable to its very existence.* In more traditional terms, this leads to the universal principle of patent law that *in a combination every element is essential*, and the patentee may not after issuance assert that that which was described as essential was immaterial after all."

To adopt a few phrases: "The combination *is* the thing." "The novelty is *not* in the elements." The

novelty which warranted issuance of the combination claims in suit "*is* the way in which the recited elements . . . *are combined* to produce a new result or an old result in a new and better way." "In a combination, *every element is essential.*"

The Court below now "*ignores the nature* of a combination patent"[39] as correctly delineated in its own previous decision.

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[39] In July, 1970, an official British "Committee to Examine the Patent System and Patent Law" submitted to Parliament a report entitled "The British Patent System." On page 77 of that report, it is stated:

> "We have concluded, therefore, that the acts of contributory infringement which we consider should be actional should be included in the definition of infringement. These acts are . . . (ii) sale of the components of a patented apparatus with the intention that the components be *assembled* by others in the *United Kingdom* to form the patented apparatus. As regards (ii), we do not consider that, where *assembly of the components takes place abroad*, the seller of the components should be liable for infringement. If the sale of the assembled apparatus also takes place abroad, the patentee suffers no detriment. If the assembled apparatus is imported into the United Kingdom, the patentee would be able to proceed against the importer and we think that, in these circumstances, any damage suffered by the patentee is too remote from the original sale of the components to justify making the seller of components liable for infringement. We, therefore, recommend that:
>
> > 'The sale of a known substance with clear instructions for its use in a manner which is patented, and the sale of the components of a patented apparatus with the intention that the components be assembled by others in the United Kingdom to form the patented apparatus, should be actionable as infringement.' "

It will be seen, therefore, that the provision being recommended for enactment by Parliament is quite similar to 35 U.S.C. Section 271(c) and that the opinion of the committee with respect to the sale of unassembled parts for assembly abroad is in accord with the decision reached in the conflicting decisions from the Second, Third and Seventh Circuits.

F. The Law Controlling Infringement of Combination Claims Is Consistent With the Law Controlling Their Validity

This Court repeatedly has held that a combination claim, and especially a claim for a combination of individually old elements, is valid only if the recited structural elements are so joined and interrelated as to produce a result which is greater than the sum of the parts. In *Great Atlantic and Pacific Tea Co.* v. *Supermarket Equipment Corp.*, 340 U.S. 147, 151, 152, 95 L. ed. 162, 166 (1950), the Court said:

> "The negative rule accrued from many litigations was condensed about as precisely as the subject permits in Lincoln Engineering Co. v. Steward-Warner Corp. 303 US 545, 549, 82 L.Ed 1008, 1010, 58 S Ct 662: 'The mere aggregation of a number of old parts or elements which, in the aggregation, perform or produce no new or different function or operations than that theretofore performed or produced by them *is not patentable invention*'. . . . The *conjunction or concert* of known elements must contribute something; *only when the whole in some way exceeds* the *sum of its parts* is the accumulation of old devices patentable. Elements may, of course, especially in chemistry or electronics, take on some new quality or function from being brought into concert, but this is not a usual result of uniting *elements old in mechanics*.
>
> * * * * *
>
> "Courts should scrutinize combination patent claims *with a care proportioned to the difficulty and improbability of finding invention in an assembly of old elements*. The function of a patent is to add to the sum of useful knowledge. Patents cannot be sustained, when on the contrary, their effect is to subtract from former resources freely available to skilled artisans. A patent for a combination which *only unites* old elements *with no*

change in their respective functions, such as is presented here, obviously withdraws what already is known into the field of its monopoly and diminishes the resources available to skillful men."

This same principle was more recently reiterated in *Anderson's-Black Rock Inc.* v. *Pavement Salvage Co.*, 396 U.S. 57, 60, 61, 24 L. ed. 2d 258, 261 (1969) as follows:

> "The combination of putting the burner together with the other elements in one machine, though perhaps a matter of great convenience, did not produce a *'new or different function'*, Lincoln Co. v. Stewart-Warner Corp, 303 US 545, 549, 82 L.Ed. 1008, 1010, 58 S Ct. 662, within the test of validity of *combination patents.*
>
> A combination of elements *may* result in an effect greater than the sum of the several effects taken separately. No such *synergistic* result is argued here."

The claims were held invalid.

Since the patentability, and hence the validity, of a combination claim depends upon a "synergistic" interrelationship between the assembled parts, and the claims define the scope of the invention,[40] it is not surprising that the interconnection and interrelationship of the elements which produces the synergistic effect must be defined in the claims. Indeed, such requirement is explicit in Section 706.03(f) of the United States Patent Office "Manual of Patent Examining Procedure" which states:

> "A claim can be rejected as *incomplete*, if it omits essential elements, steps or *necessary struc-*

[40] ". . . the claims made in the patent are the sole measure of the grant. . ." *Aro Manufacturing Co.* v. *Convertible Top Replacement Co.*, 365 U.S. 336, 339, 5 L. ed. 2d 592, 596 (1961).

tural cooperative relationship of elements, [illegible] omission amounting to a gap between the [illegible] ments, steps or necessary structural connection."[41]

As indicated in footnote 34 on page 38 of [this] brief, Laitram was forced to comply with this require[ment] to obtain allowance of the claims of the '[illegible] patent in suit.

IX. CONCLUSION

A combination claim in a United States Patent [is] not infringed under 25 U.S.C. §271 when the unasse[m]bled elements of the combination are manufactured and sold in the United States, but initial assembly [and] all testing and use of the assembled device occurs in a foreign country. Accordingly, sale of the unassembled parts of its deveiner by Deepsouth, with all assembly, testing and use occurring in Brazil, did not constitute an infringement of either Claim 3 of U.S. Patent 2,694,218 or Claim 1 of U.S. Patent 2,825,927.

The contrary decision of the Court below should be reversed.

Respectfully submitted,

Harold J. Birch
and
C. Emmett Pugh
Attorneys for Petitioner.

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[41] The full text of this provision appears in footnote 34, p. [illegible] *supra*.